

Message Text

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ACTION EUR-12

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C O N F I D E N T I A L USNATO 6752

E.O. 11652: GDS

TAGS: MARR, NATO

SUBJ: DPC MEETING 3 DEC 74, OTHER BUSINESS: UK STATEMENT ON COST
SHARING NEW FIVE-YEAR INFRASTRUCTURE PROGRAM

REF: DPC/D (74)27; USNATO 6559

SUMMARY. UNDER OTHER BUSINESS AT DPC MEETING 3 DEC 74, PECK (UK)
INFORMED ALLIES THAT UK COULD NOT REPEAT NOT ACCEPT US SPECIAL
PROGRAM COMPOSED OF INELIGIBLE PROJECTS. HE WAS JOINED BY
TURKEY. SYG EXPRESSED HOPE THAT PROBLEM COULD BE SOLVED IN EXAM-
INATION OF US PROJECT LIST. END SUMMARY.

1. IN DPC UNDER OTHER BUSINESS 3 DEC 74, PECK (UK) FORMALLY
ADVISED ALLIES THAT UK CAN ACCEPT OPTION 4 AT ANNEX TO REF, BUT
CANNOT REPEAT CANNOT AGREE TO A US SPECIAL PROGRAM FOR SLICES
XXVI-XXX COMPOSED OF PROJECTS NORMALLY NOT REPEAT NOT ELIGIBLE
FOR INFRASTRUCTURE COMMON FUNDING.

2. ASYG TUCKER THEN COMMENTED THAT UK STATEMENT BROUGHT HMG INTO
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DIRECT CONFRONTATION WITH WELL KNOWN US POSITION THAT PROJECTS
IN SPECIAL PROGRAM MUST BE INELIGIBLE FOR NORMAL INFRASTRUCTURE
FUNDING IF THEY ARE TO EFFECTIVELY REDUCE US SHARE TO 20 PCT. HE
SUGGESTED THAT PERM REPS NOT TAKE FINAL POSITIONS BY WAIT

UNTIL INFRASTRUCUTRE WORKING GROUP HAS EXAMINED PROPOSED US LIST OF PROJECTS AND SELECTED FOR SPECIAL PROGRAM THOSE HAVING HIGH NATO INTEREST.

3. BRUCE (US) MADE FOLLOWING RESPONSE:

QUOTE THE POSITION JUST STATED BY MY BRITISH COLLEAGUE ON BEHALF OF HIS GOVERNMENT HAS COME AS A SURPRISE. WE HAD UNDERSTOOD THAT ALLIED REPRESENTATIVES IN THE INFRASTRUCUTRE COMMITTEE HAD, AFTER

MUCH HARD LABOR AND WITH MUTUAL GOOD WILL, REACHED A RATHER PRECARIOUS AGREEMENT ACCEPTABLE TO ALL.

AS YOU GENTLEMEN KNOW, THE US GREETED THE EDIP CONTRIBUTION BY THE EUROPEAN ALLIES IN 1970 VERY WARMLY. THE EDIP CONTRIBUTION HAD THE EFFECT OF ENLARGING SIGNIFICANTLY THE INFRANSTRUCTURE FACILITIES AVAILABLE TO THOSE ALLIED FORCES COMMITTED TO THE COLLECTIVE DEFENSE. IT ALSO HAD THE EFFECT OF REDUCING THE US CONTRIBUTION TO THE OVERALL NATO INFRASTRUCTURE PROGRAM FROM ABOUT 30 PCT TO ABOUT 20 PCT. THE US CONGRESS WELCOMED THE CONTRIBUTION BY OUR EUROPEAN ALLIES AND KEY CONGRESSIONAL COMMITTEES DECIDED THEN THAT FOR THE FUTURE THE US CONTRIBUTION TO NATO INFRASTRUCTURE WOULD NOT EXCEED 20 PCT. THAT WAS THE POSITION OF MY GOVERNMENT AND STILL IS ITS POSITION.

THE ANNOUNCEMENT JUST MADE BY THE BRITISH AMBASSADOR WOULD HAVE THE EFFECT OF INCREASING THE US CONTRIBUTIONS TO NATO INFRASTRUCTURE FROM 20 PCT TO 27.23 PCT.

ALLIED DEFENSE MINISTERS WILL MEET IN THIS BUILDING ONE WEEK FROM TODAY. THE PROSPECTS FOR A QUICK SOLUTION NOW APPEAR GLOOMY. AND THE FUTURE OF THE WHOLE NATO INFRASTRUCTURE PROGRAM FOR THE NEXT FIVE YEARS IS FURTHER CLOUDED. UNQUOTE.

4. ERALP (TURKEY) TOOK SAME POSITION AS UK, I.E., THAT HE WAS AUTHORIZED BY ANKARA TO ACCEPT OPTIONS 3 OR 4 BUT COULD NOT REPEAT NOT AGREE TO A SPECIAL PROGRAM OF INELIGIBLE PROJECTS.

5. MENZIES (CANADA) EXPRESSED SURPRISE AT THE UK STATEMENT SINCE HE UNDERSTOOD THAT IT WAS PART OF OVERALL COST SHARING PACKAGE. CONFIDENTIAL

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HE SAID THERE SHOULD BE CAREFUL EXAMINATION OF PROJECTS ON THE USLIST AND ENDORSED THE TUCKER PROPOSAL AS SOUND AND REASONABLE AND ONE

WHICH WOULD PERMIT SECDEF SCHLESINGER TO SATISFY THE DEMANDS OF THE US CONGRESS. HE PROPOSED THAT INFRASTRUCTURE WORKING GROUP SELECT PROJECTS THAT WOULD CONTRIBUTE TO OVERALL BENEFIT OF ALLIANCE BUT SAID WE SHOULD NOT BE TIED DOWN BY ELIGIBILITY RULES. HE PRE-FERRED INELEIGIBLE PROJECTS OF HIGH PRIORITY TO ELIGIBLE PROJECTS OF LOW PRIORITY.

6. DE STAERCKE (BELGIUM) THEN OBJECTED VIGOROUSLY TO A DISCUSSION OF OPTION 4 WHEN IT WAS CLEAR ALLIES COULD NOT AGREE, AND SAID COST SHARING ITEM SHOULD NOT BE ON MINISTERIAL AGENDA. HE SAID

HE DISAGREED WITH BASIC US APPROACH AND FOUND U.S. INSISTENCE ON 20 PCT SHARE UNREASONABLE IN LIGHT CNOIC AMONG MOST EUROPEAN ALLIES. HE ASKED THAT AMBASSADOR BRUCE BRING FACTS

TO ATTENTION OF SECRETARY KISSINGER. HE CHARACTERIZED U.S. ATTITUDE ON COST SHARING AS UNFAIR, PARTICULARLY AFTER ALLIANCE AND ALLIED GOVERNMENTS HAD DONE THEIR UTMOST TO ASSIST WASHINGTON IN COPING WITH BURDENSARING ISSUE RESULTING FROM JACKSON-NUNN AMENDMENT.

7. DE STAERCKE WAS FOLLOWED BY CATALANO (ITALY) WHO RESTORED CALM TO DISCUSSION BY REVERTING TO MORE MUNDANE QUESTION OF US SPECIAL PROGRAM, STATING THAT HE COULD SUPPORT SELECTION OF QUOTE OPERATIONAL MILITARY FACILITIES UNQUOTE, NOT NECESSARILY NORMALLY ELIGIBLE. HE EXPRESSED CONCERN THAT HIS INSTRUCTIONS PERMITTED HIM TO AGREE TO OPTION 4 ONLY IF ALL OTHERS COULD AGREE AND OBSERVED THAT NEGOTIATION WAS IN STATE OF CONFUSION.

8. LUNS THEN AMIABLY PRESSURED THE UK AND TURKEY TO SHOW MORE FLEXIBILITY AND IF POSSIBLE TO WITHDRAW THEIR OBJECTIONS. HE URGED THEM TO AT LEAST WAIT FOR RESULTS OF EXAMINATION OF US PROJECT LIST AND SPECULATED THAT RESULTS MIGHT BE SUFFICIENTLY ATTRACTIVE TO PERMIT THE UK AGREEMENT, POINTING OUT THAT THE LIST WOULD NOT IN ANY CASE BE READY BEFORE THE MINISTERIAL. PECK RESPONDED THAT HE WAS PREPARED TO EXAMINE THE LIST AND THAT MAYBE A DEFERRAL OF DISCUSSION UNTIL AFTER THE MINISTERIAL MEETING QUOTE WOULD GET US OUT OF OUR PRESENT DIFFICULTY UNQUOTE. HE THEN REFERRED TO THE BURDENSARING DEBATE AND
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REMINDED DPC THAT UK HAD POINTED OUT THAT THEY WERE NOT THEMSELVES ASKING FOR BURDENSARING. HE SAID THEY MIGHT HAVE TO RECONSIDER THIS POSITION. BRUCE

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